

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

IN RE:

REO HOLDINGS, LLC,

DEBTOR.

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CHAPTER 11

CASE NO. 16-03349

JUDGE MASHBURN

**THIRD INTERIM APPLICATION FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF MANIER & HEROD P.C.**

Manier & Herod, P.C. (“Manier & Herod”) hereby submits the Third Interim Application for Allowance of Compensation and Reimbursement of Expenses of Manier & Herod P.C. (the “Application”) for legal services rendered by Manier & Herod on behalf of the Eva M. Lemeh, the Post-Confirmation Distribution Agent under the Modified Chapter 11 Trustee’s Amended Plan of Reorganization (the “PCDA”) from February 1, 2018, to August 31, 2018 (the “the Third Period”). The Application seeks allowance of fees in the amount of **\$98,832.50** and reimbursement of expenses in the amount of **\$2,413.14** for a total compensation of **\$101,245.64**. The Application requests interim compensation and reimbursement of expenses pursuant to 11 U.S.C. §§ 328, 330 and 331 and Federal Rule of Bankruptcy Procedure 2016. In support of the Application, Manier & Herod, P.C. (“Manier & Herod”) respectfully represents:

BACKGROUND

1. On February 29, 2016 (the “Petition Date”), the Debtor commenced this case by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Western District of Tennessee.

2. On May 9, 2016, the Debtor's case was transferred to the United States Bankruptcy Court for the Middle District of Tennessee (the "Court").

3. On June 8, 2016, the Family Trust Services LLC, Billy Gregory, Steven Reigle, Regal Homes Co., and John Sherrod moved for the United States Trustee to appoint a chapter 11 trustee to administer the Debtor's case (the "Trustee Motion"). [Dkt Entry No. 74].

4. On July 13, 2016, the Court granted the Trustee Motion. [Dkt Entry No. 115].

5. On July 28, 2016, the United States Trustee moved to appoint Eva M. Lemeh as the Trustee (the "Appointment Motion"). [Dkt Entry No. 124].

6. On July 29, 2016, the Court entered an Order granting the Appointment Motion. [Dkt Entry No. 128].

7. On September 14, 2017, the Court entered the Order Confirming Chapter 11 Trustee's Amended Plan of Reorganization and Setting Bar Date for Administrative claims. [Dkt Entry No. 345]. On September 29, 2018, the effective date of the Chapter 11 Trustee's Amended Plan of Reorganization, the PCDA was appointed and continues to serve in her capacity. The PCDA retained Manier & Herod as her counsel.

8. On August 3, 2016, the Trustee filed an Application to Employ Manier & Herod to represent the Trustee as Special Counsel pursuant to 11 U.S.C. § 327(a). [Dkt Entry No. 139]. On August 29, 2016, the Bankruptcy Court approved the employment of Manier & Herod as special counsel to the Trustee in this case (the "Retention Order"). [Dkt Entry No. 167]. The Retention Order is attached as **Exhibit A**.

9. Manier & Herod has been instrumental in dealing with the legal issues that have arisen in this case, including: (a) evaluating and contesting multiple redemption matters pending as adversary proceedings, state court matters, and appeals in the Tennessee Court of Appeals; (b)

negotiating various matters on behalf of the Trustee and PCDA; (c) settling, subject to Court approval, multiple matters, including the global resolution of almost all of the matters between the Debtor, Charles Walker and Family Trust Services, LLC and the other plaintiffs, which involved a mediation by former-bankruptcy judge William Houston Brown; (d) filing and confirming an amended plan of reorganization on behalf of the Trustee (the “Plan”); (e) filing over twenty complaints to quiet title in various Tennessee state courts; (f) resolving these quiet title complaints in order to allow the sale of such properties; and (g) preparing documents necessary to effectuate the sales of properties pursuant to the Plan.

PROFESSIONAL SERVICES RENDERED

10. Manier & Herod has acted as counsel to the PCDA in this matter and during the Third Period has been involved with several aspects of the case including, but not limited to, successfully litigating matters before the Chancery Court for Davidson County, Tennessee and the Tennessee Court of Appeals, and the United States Bankruptcy Court for the Eastern District of Tennessee, evaluating numerous pending pieces of litigation, settling matters on behalf of the PCDA, preparing documentation necessary to effectuate sales of properties under the Plan, evaluating issues regarding distributions under the Plan, and modifying the Plan.

11. The Application seeks an interim allowance of one hundred percent (100%) fees and expenses in the total amount of \$98,832.50 for the Third Period. Annexed hereto as **Exhibit B** is a list of all professionals and paraprofessionals working on matters relating to this case during the Third Period, each professional and paraprofessional's name, title, hourly rate, the number of hours worked by each and the total compensation requested for each person's work during the Third Period. Each professional and paraprofessional's hourly rate is the standard hourly rate charged by that person for work performed for firm clients.

12. During the Third Period, Manier & Herod's attorneys and paralegals worked 362.60 hours on the matters related to this bankruptcy case. Annexed hereto as **Exhibit C** is Manier & Herod's detailed, computerized invoicing for the work billed during the Third Period. These bills are divided by "project codes" that group time entries by subject area. This bill identifies each specific item of work in that project category, the person performing that work, the time spent, and the proposed charge for each item. At the end of the invoicing (p. 54 of Exhibit C) is a summary of the total amount of time and requested compensation for each professional or paraprofessional performing work on that matter during the Third Period, as well as a statement of the total requested compensation for work on that matter.

13. Each of the "project codes" used by Manier & Herod during the Third Period is described below. Because the services provided by Manier & Herod are set forth in detail in Exhibit C hereto, the following presentation is not intended to be a statement of all professional services rendered during the Third Period, but simply describes generally the types of services included in each of Manier Herod's project codes during the period.

The project codes in Exhibit C are delineated as follows:

- a. Case Administration (CODE B110, \$10,677.50). This category reflects time spent on matters related to this case that do not fall within any other project code. These entries include, but are not limited to, the monthly operating reports and correspondence regarding the Debtor's operations, settlement negotiations and excess proceeds claims.
- b. Fee/Employment Application (CODE B160, \$2,620.00). This category reflects time spent regarding preparation of applications for fees and employment, including the fee application of Manier & Herod.
- c. Other Contested Matters (CODE B190, \$54,412.50). This category reflects time spent on appeals of litigation involving 3911 Dodson Chapel Road, Unit 6 and 725 Heritage Drive and Basswood Drive; litigation pending in the Chancery Court for Davidson County, Tennessee regarding 106 North 7th Street and 102 Colt Court and an adversary proceeding pending in the United States Bankruptcy Court for the Eastern District of Tennessee concerning Mitchell Avenue.

d. Real Estate (CODE B250, \$28,885.00). This category reflects time spent on litigation and matters related to the sale of real estate, including sales of properties in Hamilton County, Tennessee and Davidson County, Tennessee, and related quiet title matters.

e. Plan (CODE B320, \$2,237.50). This category reflects time spent on modifying the Plan.

14. A computerized printout of Manier & Herod's disbursements necessarily incurred in the performance of Manier & Herod's duties as counsel to the PCDA is included on page 54 of Exhibit C. Charges for specific expenses included in this exhibit are as follows: Travel (1/2 time recorded); in-house copies charged at \$.25 per page; computerized research and fees for PACER services at cost; telecopier charges at \$1.00 per page for outgoing faxes only; postage and other expenses at cost. Each of the charges set forth above reflect Manier & Herod's standard rates. The expenses for which reimbursement is sought in this Application total \$2,413.14.

CERTIFICATION

15. Manier & Herod has obtained the approval of the PCDA to submit this Application.

CONCLUSION

16. Manier & Herod has necessarily and properly expended 362.60 hours of service in performance of its duties as counsel to the PCDA during the Third Period. Manier & Herod respectfully requests an interim fee award for professional services rendered in the amount of \$98,832.50. Manier & Herod has also necessarily incurred total expenses in the amount of \$2,413.14 in the performance of Manier & Herod's duties as counsel for the PCDA during the Third Period. Manier & Herod seeks immediate reimbursement for 100% of fees and disbursements in the total amount of \$101,245.64.

Respectfully submitted,

MANIER & HEROD, P.C.

/s/ Robert W. Miller

Michael E. Collins (Tenn. BPR #16036)

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Counsel for the Post-Confirmation

Distribution Agent

CERTIFICATE OF SERVICE

I hereby certify that, on September 26, 2018, a true and correct copy of the foregoing was served via the ECF system and upon the parties on the attached mailing matrix via United States Mail, first class, postage prepaid:

/s/ Robert W. Miller

Robert W. Miller